



USDA Foreign Agricultural Service

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Argentina

Oilseeds and Products

Lock-Up Report

2008

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Report Highlights:

Although Argentina's soybean harvest has been significantly delayed for two weeks due to the agricultural sector strike, a 30-day truce was announced April 2, during which the harvest will begin full force. Post is raising its soybean production forecast to 47.5 million tons on planted area totaling 17 million hectares. Due to the strike, soybean crushing operations were severely affected -- as such post is reducing the overall crush number by 500,000 tons. Post maintains USDA's forecast for sunflowerseed production at 4.5 million tons on a harvested area of 2.7 million hectares.

Includes PSD Changes: Yes
Includes Trade Matrix: No
Annual Report
Buenos Aires [AR1]
[AR]

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Soybeans

The soybean harvest has been significantly delayed for the past two weeks due to the agricultural sector strike against the GoA's March 11 implementation of floating export taxes. Logistical problems, as well as pressure from protesting farmers, dissuaded many producers from harvesting soybeans. However, on April 2, the agricultural sector called a "truce" with the government for a period of 30 days, during which farmers will begin the harvest in full-force. Post contacts estimate that by the end of the week, around 15 percent of the entire crop harvest will be completed – compared to an average year's progress of 26 to 28 percent for this time of year. Farmers are opting to harvest soybeans while leaving the remaining corn crop to be collected afterward due to a higher risk of yield losses to soybeans. They are concerned that rains could impede the soy harvest and degrade yields, while those risks are much lower for corn.

Post increases its production forecast to 47.5 million tons. Several producers are reporting higher yields than initially expected. Particularly, in the central-south of Santa Fe province, those farmers that have harvested are reporting significantly higher yields than were initially expected for this campaign (around 40 quintales per hectare compared to an average of around 36). Other indications show that yields across the country, generally, will be slightly higher than expected and, as such, give strong support for raising the forecast. Crushing operations were severely affected by the agricultural strike. Post contacts indicate that many plants were operating at reduced capacity, or completely stopped, due to a lack of stocks. They estimate that crushing output for the period covering the 20-day strike was roughly 30 percent of normal operations. Post has revised its crush number downward by 500,000 tons as a result.

Sunflowerseed

Post estimates that the sunflower crop is around 88 percent harvested, approximately 7 percent more than the previous week and only slightly behind the harvest advance at this time last year. The brunt of the sunflower harvest had already occurred before the agricultural strike, primarily in the northern provinces. The remaining sunflower area in the southern part of Buenos Aires province, however, has been slowed somewhat by complications from the strike but should be completed in the coming weeks.

Post maintains the USDA forecast for total production at 4.5 million tons in 2007/08 and harvested area at 2.7 million hectares. While Post contacts and in-country analysts are currently estimating a smaller crop than USDA, indications are that yields were higher than initially expected and those sources will likely bring their forecasts in-line with Post's estimation of 4.5 million tons.

PSD Table

Country Commodity	Argentina										UOM
	Oilseed, Soybean (Local)										
	2005			2006			(1000 HA)(1000 MT)				
	Revised	Post			Estimate	Post	2007	Forecast	Post		
Market Year Begin	USDA Official	Post Estimate 04/2006	Estimate New 04/2006	USDA Official	Post Estimate 04/2007	Estimate New 04/2007	USDA Official	Post Estimate 04/2008	Estimate New 04/2008	MM/YYYY	
Area Planted	15200	0	15200	16400	0	16400	17000	0	17000	(1000 HA)	
Area Harvested	15200	0	15200	16300	0	16300	16800	0	16800	(1000 HA)	
Beginning Stocks	174	0	174	334	0	334	185	0	185	(1000 MT)	
Production	40500	0	40500	48800	0	48800	47000	0	47500	(1000 MT)	
MY Imports	1013	0	1013	2359	0	2359	2600	0	2600	(1000 MT)	
MY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	
MY Imp. from EU	0	0	0	0	0	0	0	0	0	(1000 MT)	
Total Supply	41687	0	41687	51493	0	51493	49785	0	50285	(1000 MT)	
MY Exports	7130	0	7130	12208	0	12208	10000	0	10000	(1000 MT)	
MY Exp. to EU	0	0	0	0	0	0	0	0	0	(1000 MT)	
Crush	32748	0	32748	37600	0	37600	38100	0	37600	(1000 MT)	
Food Use Dom. Cons.	0	0	0	0	0	0	0	0	0	(1000 MT)	
Feed Waste Dom. Cons.	1475	0	1475	1500	0	1500	1525	0	1525	(1000 MT)	
Total Dom. Cons.	34223	0	34223	39100	0	39100	39625	0	39125	(1000 MT)	
Ending Stocks	334	0	334	185	0	185	160	0	1160	(1000 MT)	
Total Distribution	41687	0	41687	51493	0	51493	49785	0	50285	(1000 MT)	
CY Imports	712	0	712	2245	0	2245	2500	0	2500	(1000 MT)	
CY Imp. from U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	
CY Exports	7872	0	7872	11816	0	11816	10500	0	10500	(1000 MT)	
CY Exp. to U.S.	0	0	0	0	0	0	0	0	0	(1000 MT)	